

Message Text

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NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07 SP-02

SS-15 STR-07 TRSE-00 ACDA-12 /140 W

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 6273

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PASS MEPD/USDOC

E.O. 11652: N/A

TAGS: BEXP, ENRG, AR

SUBJECT: MAJOR PROJECT: INTERCONNECTION OF THE NATIONAL GRID
SYSTEM-ARGENTINA.

REF: BUENOS AIRES 3796, MAY 17, 1978.

1. IN THE FIRST PHASE OF THE NATIONAL ELECTRIC POWER PLAN
(1977-1985), ARGENTINE POWER UTILITIES ARE DIRECTED TO
GIVE PRIORITY TO THE DEVELOPMENT OF A NATIONAL INTERCONNECTED
GRID SYSTEM, USING 500 AND 750KV POWER LINES.

2. TOTAL COST IN THE 1977-1985 PLAN FOR TRANSMISSION LINES,
TRANSFORMER STATIONS AND SUB-TRANSMISSION NETWORKS IS ESTI-
MATED AT APPROXIMATELY US\$491 MILLION (EXCLUDING THE COST OF THE
YACYRETA-APIPE TRANSMISSION SYSTEM WHICH IS ESTIMATED AT
US\$584 MILLION).

3. THIS PROJECT WILL BE FINANCED FROM FEDERAL
AND PROVINCIAL ELECTRIC ENERGY FUNDS, AND OTHER
SPECIAL FUNDS FOR ENERGY DEVELOPMENT, REGULAR INCOME
FROM SERVICE CHARGES, INTERNATIONAL FINANCIAL
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INSTITUTION LENDING AND FINANCING TO BE PROVIDED BY
SUPPLIERS. THE PROJECT IS LIKELY
TO REMAIN UNCHANGED, BUT IT HAS NOT YET BEEN DEFINITELY
APPROVED BY THE SECRETARY OF ENERGY.

4. THE NATIONAL GRID WILL BE COMPOSED OF NINE REGIONAL
GRIDS: 1. GRAN BUENOS AIRES; 2. LITORAL; 3. COMAHUE;

4. BUENOS AIRES SUR; 5. CENTRO; 6. CUYO; 7. NORESTE ARGENTINO (NEA); 8. NORESTE ARGENTINO (NOA); AND 9. PATAGONICO. AT PRESENT, THE FOLLOWING ARE THE ONLY REGIONAL GRIDS WHICH ARE INTERCONNECTED: THE GRAN BUENOS AIRES GRID IS CONNECTED WITH THE LITORAL GRID BY A 132KV AND A 220KV LINE; GRAN BUENOS AIRES IS ALSO CONNECTED WITH COMANHUE BY TWO 500KV LINES, AND WITH BUENOS AIRES SUR BY A 220KV AND 132KV LINE. THE LINK BETWEEN LITORAL AND CENTRO IS UNDER CONSTRUCTION. ALSO UNDER CONSTRUCTION ARE: A) THE LINES CONNECTING THE SALTO GRANDE HYDROELECTRIC PROJECT AND THE CITY OF SANTA FE IN THE LITORAL GRID, AND BUENOS AIRES IN THE GRAN BUENOS AIRES GRID; AND B) ROSARIO-SANTA FE (WITHIN LITORAL GRID). REMAINING TO BE TENDERED ARE THE FOLLOWING SECTIONS: A) THE ROSARIO OESTE (LITORAL GRID) - GENERAL RODRIGUEZ (GRAN BUENOS AIRES GRID) SECTION, WHICH IS 265 KILOMETERS LONG, TO BE TENDERED IN LATE 1979; B) THE CENTRO (RIO TERCERO) - CUYO (MENDOZA) SECTION, WHICH IS 455 KMS. LONG AND IS LIKELY TO BE TENDERED DURING THE FIRST QUARTER OF 1979; C) THE CENTRO (RIO TERCERO) - NOA (TUCUMAN-EL BRACHO) SECTION, WHICH IS 660 KMS. LONG AND IS LIKELY TO BE TENDERED IN THE FIRST HALF OF 1980; AND D) THE CENTRO (SANTA FE-SANTO TOME) - NEA (RESISTENCIA) SECTION, WHICH IS 600 KMS. LONG AND IS LIKELY TO BE TENDERED IN THE FIRST QUARTER OF 1980.

5. THERE IS ALSO THE POSSIBILITY THAT A 500KV TRANSMISSION UNCLASSIFIED

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LINK BETWEEN BAHIA BLANCA, PROVINCE OF BUENOS AIRES, COELE-CHOEL, PROVINCE OF RIO NEGRO, AND SAN ANTONIO OESTE, ALSO IN THE RIO NEGRO PROVINCE WILL BE CONSTRUCTED TO SUPPLY A MAJOR ENERGY USER, SIDERSUR, WHOSE STEEL PLANT IS TO BE COMPLETED IN THE MID 1980'S.

6. THE DESIGN OF THE TRANSMISSION SYSTEM FOR YACYRETA WILL BE FINISHED BY THE END OF 1979. IT IS STILL UNDER STUDY BY THE SECRETARIAT OF ENERGY. A PRELIMINARY DESIGN WILL NEVERTHELESS HAVE TO BE READY BY THE END OF 1978 WHEN THE WORLD BANK AND THE INTER-AMERICAN DEVELOPMENT BANK WILL VOTE ON THE YACYRETA-APIPE LOAN. THE FIRST LINKS TO BE CONSTRUCTED FOR THIS PARTICULAR SYSTEM WOULD PROBABLY BE: YACYRETA-RESISTENCIA (NEA), AND RESISTENCIA-SANTA FE (LITORAL). A YACYRETA (NEA) - TUCUMAN (NOA) LINE (900KMS. LONG) IS BEING CONSIDERED, AS IS ONE FROM YACYRETA TO GARABI, A POTENTIAL DAM SITE ON THE UPPER URUGUAY RIVER. THE UTILITY IN CHARGE OF THE PROJECT WILL BE AGUA Y ENERGIA ELECTRICA. DESIGN WILL BE TENDERED INTERNATIONALLY AS WILL THE CONSTRUCTION OF THE LINE. CONSTRUCTION WILL HAVE TO BEGIN BY MID 1980.

7. SOME OF THE DESIGN WORK ON THESE LINES WILL BE TENDERED INTERNATIONALLY. IT IS LIKELY, HOWEVER, THAT A&EE WILL ATTEMPT TO DO PART OF THE DESIGN WORK THEMSELVES. CONSTRUCTION OF THE GRID INTERCONNECTIONS WILL BE TENDERED INTERNATIONALLY. LOCAL FIRMS HAVE CONSIDERABLE EXPERTISE BY NOW IN PERFORMING PARTS OF THIS WORK AND COULD PROVIDE SIGNIFICANT COMPETITION. THEY ARE LIKELY TO BE FAVORED BY THE GOA AUTHORITIES. U.S. FIRMS MAY THEREFORE WISH TO CONSIDER JOINING VENTURES WITH ARGENTINE CONSTRUCTION FIRMS.

8. THE TRANSMISSION LINE COMPONENT OF THE PROJECT HAS THE GREATEST LOCAL CONTENT POSSIBILITIES, PERHAPS AS MUCH AS 50 PERCENT OF THE TOTAL. IN FACT, ALL OF THE STRUCTURES, INSULATORS, AND CONDUCTORS COULD BE MANUFACTURED

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LOCALLY, BUT THERE IS A CAPACITY PROBLEM WHICH WILL PROBABLY PREVENT THIS AND REQUIRE IMPORTATION OF PART OF THIS EQUIPMENT. MUCH DEPENDS ON THE COST COMPETITIVENESS OF LOCAL PRODUCERS.

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9. TRANSFORMER STATIONS: THE COST OF THE TRANSFORMER STATIONS FOR THE NATIONAL TRANSMISSION SYSTEM, EXCLUDING THE YACYRETA SYSTEM, IS VALUED AT US\$386 MILLION. THREE TRANSFORMER STATIONS ARE CURRENTLY BEING TENDERED BY A&EE. THESE ARE: SANTO TOME, ROSARIO OESTE, AND RIO TERCERO.

BIDS WILL BE OPENED ON JUNE 15, 1978 (SEE BA-3796 DATED MAY 17, 1978). THE REMAINING TRANSFORMER STATIONS ARE: GENERAL RODRIGUEZ (GRAN BUENOS AIRES), MENDOZA (CUYO), TUCUMAN OR "EL BRACHO" (NOA), RESISTENCIA (NEA), AND PATAGONICO WHICH WILL BE TENDERED ACCORDING TO THE SCHEDULE BELOW:

MENDOZA - MID 1979
TUCUMAN - MID 1979
RESISTENCIA - UNDECIDED

10. THE TRANSFORMER STATIONS TO BE CONSTRUCTED WILL REQUIRE THE FOLLOWING IMPORTED EQUIPMENT: PROTECTION EQUIPMENT, METERING AND CONTROL EQUIPMENT, POWER TRANSFORMERS, REACTORS, AND TELECONTROL AND TELECONNECTION EQUIPMENT. APPROXIMATELY 80 PERCENT OF THE VALUE OF THE EQUIPMENT TO GO INTO THESE TRANSFORMER STATIONS HAS TO BE IMPORTED. ABOUT THE ONLY EQUIPMENT PRODUCED LOCALLY ARE SWITCHBOARDS AND, OF COURSE, THE CONSTRUCTION CAN BE DONE LOCALLY.

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11. SUB-TRANSMISSION NETWORK: THE SUBTRANSMISSION NETWORK PHASE OF THE PROJECT ALSO HAS SALES POSSIBILITIES FOR U.S. FIRMS, IN SPITE OF THE FACT THAT VOLTAGES WILL BE ONLY 220 AND 132 KV AND EQUIPMENT FOR SUCH VOLTAGES IS MANUFACTURED LOCALLY. THIS NETWORK IS VALUED AT APPROXIMATELY 40 PERCENT OF THE TOTAL FOR THE TRANSMISSION SYSTEM. EVEN THOUGH MUCH OF THE EQUIPMENT FOR THIS NETWORK COULD BE MANUFACTURED DOMESTICALLY, THE PROBLEM OF CAPACITY, QUALITY, AND COST COMPETITIVENESS WILL PROBABLY LEAD ARGENTINA TO OPEN THESE SALES POSSIBILITIES TO OVERSEAS FIRMS. THIS IS PARTICULARLY TRUE OF THE PROTECTION EQUIPMENT, LITTLE OF WHICH IS MANUFACTURED IN ARGENTINA. AUXILIARY RELAYS, INTERRUPTORS, CONTROL EQUIPMENT, METERING EQUIPMENT AND POWER TRANSFORMERS OF 220 AND 132 KV ARE MANUFACTURED IN ARGENTINA.

12. LOAD DISPATCH CENTERS: THE LOAD DISPATCH CENTERS ARE AN INTEGRAL PART OF THE OVERALL TRANSMISSION PLAN. THE NATIONAL DISPATCH CENTER IN ROSARIO, PROVINCIA DE SANTA FE HAS ALREADY BEEN AWARDED BY A&EE TO SIEMENS. THIS DISPATCH CENTER WILL BE INSTALLED ON/OR/ABOUT JULY 1979. THE LITORAL DISPATCH CENTER, ALSO IN ROSARIO, WHICH WAS AWARDED TO TRW CONTROLS OF HOUSTON, WILL BE COMPLETED WITHIN THE FIRST FEW MONTHS OF 1980. SEGBA HAS ALSO AWARDED ITS GRAN BUENOS AIRES REGIONAL DISPATCH CENTER TO TRW AND IT WILL BE THE FIRST ONE TO BE PUT IN OPERATION, (MARCH/APRIL 1979). COMPANIA ITALO-ARGENTINA DE ELECTRICIDAD (CIAE) HAS INSTALLED A SMALL DISPATCH CENTER IN BUENOS AIRES. REMAINING TO BE TENDERED ARE THE

FOLLOWING DISPATCH CENTERS:

- DEBA IS PLANNING TO INSTALL ITS FIRST COMPUTERIZED LOAD DISPATCH CENTER IN LA PLATA, PROVINCE OF BUENOS AIRES. (SEE BA-4645, DATED JUNE 16, 1978).
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IT WILL BE CONNECTED WITH THE NATIONAL DISPATCH CENTER IN ROSARIO, PROVINCE OF SANTA FE. DEBA CURRENTLY PLANS TO CALL FOR BIDS IN AUGUST OR SEPTEMBER 1978.

- DESPACHO REGIONAL CUYO: TO BE TENDERED BY A&EE. IT WILL BE LOCATED AT CRUZ DE PIEDRA, IN THE OUTSKIRTS OF THE PROVINCE OF MENDOZA. THE PROJECT'S SPECIFICATIONS HAVE BEEN COMPLETED BY A&EE AND IT IS LIKELY TO BE TENDERED IN 1979.

- DESPACHO REGIONAL NORESTE: TO BE TENDERED BY A&EE. IT WILL BE LOCATED IN THE CITY OF TUCUMAN, IN TUCUMAN PROVINCE. PRELIMINARY DESIGN IS CONCLUDED AND FINAL DESIGN IS EXPECTED TO BE FINISHED BY 1979. DATE FOR TENDERING IS UNCERTAIN, BUT COULD OCCUR IN 1979.

- DESPACHO REGIONAL NORESTE: TO BE TENDERED BY A&EE AND TO BE LOCATED IN THE PROVINCE OF CORRIENTES. STUDIES ON THIS PROJECT WILL NOT BE INITIATED UNTIL THE CONSTRUCTION OF YACYRETA IS IN AN ADVANCED STAGE.

- DESPACHO REGIONAL PATAGONICO: IS ALSO TO BE TENDERED BY A&EE. ITS LOCATION WILL BE TRELEW IN THE PROVINCE OF CHUBUT. SEVERAL PRELIMINARY STUDIES HAVE ALREADY BEEN DONE AND IT IS HOPED THAT DESIGN WILL BE COMPLETED BY THE END OF 1979. DATE FOR TENDERING OF THIS PROJECT IS UNCERTAIN.

- DESPACHO REGIONAL CENTRO: THE PROVINCIAL ENERGY UTILITY, EPEC WILL INSTALL A SMALL DISPATCH CENTER IN THE PROVINCE OF CORDOBA, WHICH WILL NOT BE TENDERED UNTIL LATE 1979 AT THE EARLIEST. A&EE ALSO INTENDS TO BUILD ITS OWN REGIONAL DISPATCH CENTER EVENTUALLY BUT ITS LOCATION AND TIMING ARE VERY UNCERTAIN.

- CENTRO REGIONAL COMAHUE: HDRONOR IS PLANNING TO INSTALL A SMALL DISPATCH CENTER IN THE CITY OF NEUQUEN IN ORDER TO CONTROL ITS FOUR GENERATING STATIONS IN THE AREA. THE DESIGNS STAGE FOR THIS PROJECT IS BEING COMPLETED WITH THE COOPERATION OF
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FRENCH CONSULTANTS. BIDDING DOCUMENTS MAY BE READY BY THE SECOND SEMESTER OF 1979.

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INFO OCT-01 ARA-14 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
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13. AGUA Y ENERGIA ELECTRICA GIVES THE FOLLOWING RANK OF PRIORITY TO THEIR PROJECTS: A) DESPACHO REGIONAL CUYO, B) DESPACHO REGIONAL NOROESTE, AND C) DESPACHO REGIONAL NORESTE. A&EE'S OFFICIALS CONSIDER DISPATCH CENTER CONSTRUCTION OF GREAT URGENCY AND HOPE TO HAVE THEM ALL INSTALLED AND OPERATIONAL BY 1985. CALLS FOR BIDS WILL BE MADE ON AN INTERNATIONAL TENDER BASIS. SUPPLIER'S FINANCING WILL BE REQUESTED. APPROXIMATE COST OF EACH REGIONAL DISPATCH CENTER IS CURRENTLY ESTIMATED TO RANGE FROM US\$15 TO US\$17 MILLION, ACCORDING TO THE NUMBER OF TRANSFORMER STATIONS TO BE CONTROLLED. MAJOR FOREIGN COMPETITORS FOR THE SUPPLY OF DISPATCH CENTERS ARE SIEMENS AND BROWN BOVERI.

14. IN ADDITION TO THE DISPATCH CENTERS THEMSELVES, THE FOLLOWING COMPONENTS WOULD HAVE TO BE IMPORTED: COMPUTER'S SUBSYSTEMS, PROGRAMMING CONSOLES, MOBILE HEAD DISKS, TAPES, PRINTERS, CARDREADERS AND CARRIERS, CARD PUNCHERS, LOCAL TERMINAL UNITS, LOCAL COUPLINGS FOR CONSOLES, OPERATION CONSOLES, RECORDERS, DISPATCH CENTER BOARDS, INSTRUMENT BOARDS, DATA PROCESSING INTERFACE BOARDS, MOSAIC BOARDS, TELECONTROL EQUIPMENT, MINICOMPUTERS AND PERIPHERAL EQUIPMENT, TRANSDUCERS FOR DATA RETRIEVAL, POWER TRANSDUCERS, FREQUENCY AND VOLTAGE TRANSDUCERS, AND MAINTENANCE EQUIPMENT.

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15. THE COMMUNICATION SYSTEMS COMPLIMENTARY TO THE
INSTALLATION OF THE DISPATCH CENTERS WILL BE TENDERED
SEPARATELY FROM THE DISPATCH CENTERS BUT SIMULTANEOUSLY.
CALL FOR BIDS WILL ALSO BE ON INTERNATIONAL BASIS. MAJOR
COMPETITORS IN THIS FIELD ARE AGAIN SIEMENS AND BROWN
BOVERI. THE COMMUNICATION SYSTEMS FOR THE NATIONAL DISPATCH
CENTER AND THE REGIONAL DISPATCH CENTER IN ROSARIO, HAVE
BEEN AWARDED TO SIEMENS AND ARE CURRENTLY BEING ERECTED BY
THE LOCAL FIRM SADE. THESE EYSTEMS ARE THE ONLY TWO
SYSTEMS TO BE OPERATED BY MICROWAVE. ALL REMAINING
COMMUNICATIONS SYSTEMS WILL BE OPERATED BY CARRYING WAVE.
ALL COMPONENTS FOR THESE CARRYING WAVE SYSTEMS WILL HAVE TO
BE IMPORTED EXCEPT FOR THE POWER SOURCES WHICH ARE
MANUFACTURED LOCALLY.
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